

Attachment 13B: Reconciliation Descriptions

RECONCILIATION REQUIREMENTS FOR THE QUARTERLY FINANCIAL STATEMENTS

The following are required reconciliations. Reconciliation does not mean that amounts must agree. The differences between the amounts, however, should have an identifiable cause and be supported. Timing differences are an example of an acceptable reconciling difference. The first section shows the reconciliation within the quarterly financial statements (i.e., Balance Sheet, Line 2 to Balance Sheet, Line 7 or Balance Sheet to Statement of Changes in Net Position). The next four sections of this attachment show the reconciliation between the financial statements and the Report on Budget Execution (SF 133), the Accounting Report (M) 1307, the Report on Reimbursements (DD 725) and the Report on Receivables Due from the Public. The last section shows the reconciliation between selected accounts in support of the Statement of Financing.

In each section, the lines listed under the left column should equal the statements and the lines listed under the right column. Special considerations will be noted at the beginning of a section as well as throughout the section.

The Standard, Current Year to Prior Year, and the Statement to Footnotes reconciliations must be in balance in Defense Departmental Reporting System – Audited Financial Statements (DDRS-AFS). In addition, reconciliations 4, 5, 6, 9, 10, 11 and 13 of the Section V reconciliations must be in balance. Reconciliations that compose the Standard, Current Year to Prior Year, and Section V Reconciliations in DDRS-AFS are in this attachment. The Statement to Footnote Report can be found in DDRS-AFS.

Section I. Reconciliation Requirements for the Quarterly Financial Statements

Quarterly Financial Statement		Quarterly Financial Statement	
Balance Sheet		Balance Sheet	
Accounts Receivable	Line 1.C.	Federal Agencies' Centralized Trial-balance System (FACTS) accounts receivable from the public (attribute nonfederal). Also, reconcile with the receivables from the public in the quarterly "Report on Receivables Due From the Public."	
Balance Sheet		Balance Sheet	
Total Assets	Line 2	Total Liabilities and Net Position	Line 7
Statement of Changes in Net Position (SCNP)		Statement of Changes in Net Position	
Fiscal Year (FY) 2005 Net Position-Beginning of Period	Line 1 Cumulative Results of Operations Plus Line 1 Unexpended Appropriations	FY 2004 Net Position, End of Period	Line 8 Cumulative Results of Operations Plus Line 8 Unexpended Appropriations

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Quarterly Financial Statement		Quarterly Financial Statement	
Statement of Changes in Net Position		Statement of Changes in Net Position	
Appropriation Used – Unexpended Appropriation Section	Line U4D	Appropriation Used – Cumulative Results of Operation Section	Line C4D
Statement of Budgetary Resources (SBR)		Statement of Budgetary Resources	
FY 2005 Unobligated Balance - Beginning of the Period	Line 2.A.	FY 2004 Unobligated Balances – Available FY 2004 Unobligated Balances – Not Available	Line 9A + 9B + 9C Plus Line 10
Total Budgetary Resources	Line 7	Total, Status of Budgetary Resources	Line 11
FY 2005 Obligated Balance, Net – Beginning of Period	Line 12	FY 2004 Obligated Balance, Net – End of Period	Lines 14.A., 14.B., 14.C. + 14.D.
Balance Sheet		Statement of Changes in Net Position	
Unexpended Appropriations	Line 5.A.	Unexpended Appropriations	Line 8
Cumulative Results of Operations	Line 5.B.	Cumulative Results of Operations	Line 8
Statement of Net Cost		Statement of Changes in Net Position	
Net Cost of Operations	Line 4	Net Cost of Operations	Line 7 Cumulative Results of Operations
Statement of Net Cost		Statement of Financing	
Net Cost of Operations	Line 4	Net Cost of Operations	Line 30
Statement of Changes in Net Position		Statement of Financing	
Net Cost of Operations	Line 7 Cumulative Results of Operations	Net Cost of Operations	Line 30
Statement of Budgetary Resources		Statement of Financing	
Obligations Incurred	Line B8C N8C	Obligations Incurred	Line 1
Spending Authority from Offsetting Collections Subtotal Anticipated for rest of year , without Advances Recoveries of Prior Year Obligations	Line 3.F. LESS Line 3.C. PLUS Line 4	Spending Authority from Offsetting Collections and Recoveries (-)	Line 2
Statement of Financing		Statement of Changes in Net Position	
Donations and Forfeiture of Property	Line 6	Donations and Forfeiture of Property	Line C5A

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Quarterly Financial Statement		Quarterly Financial Statement	
Statement of Financing		Statement of Changes in Net Position	
Transfers In/Out without Reimbursement	Line 7	Transfers In/Out without Reimbursement	Line C5B
Imputed Financing from Costs Absorbed by Others	Line 8	Imputed Financing from Costs Absorbed by Others	Line C5C
Other	Line 9	Other Budgetary Financing Sources	Line C5D
Statement of Financing		Statement of Budgetary Resources	
Offsetting Receipts	Line 4	Offsetting Receipts	Line 16

Section II. Reconciliation Requirements for the Statement of Budgetary Resources and the Report on Budget Execution (SF-133) (General Fund and Working Capital Fund Reporting Entities)

Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Budget Authority: Appropriation Received	Line 1.a	Budget Authority: Appropriation	Line 1A
Borrowing Authority	Line 1.b	Borrowing Authority	Line 1B
Contract Authority	Line 1.c	Contract Authority	Line 1C
Net Transfers (+/-)	Line 1.d	Net Transfers (+ or -)	Line 1D
Other	Line 1.e	Other	Line 1E
Unobligated Balance: Beginning of Period	Line 2.a	Unobligated Balance: Brought forward, October 1	Line 2A
Net Transfers Actual (+/-)	Line 2.b	Net transfers, Actual (+ or -)	Line 2B
Anticipated Transfers Balance	Line 2.c	Anticipated transfers (+ or -)	Line 2C
Spending Authority Offsetting Collections: Earned: Collected	Line 3.a.1	Spending Authority Offsetting Collections: Earned: Collected	Line 3A1
Spending Authority		Spending Authority	

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Offsetting Collections: Earned: Receivable from Federal sources	Line 3.a.2	Offsetting Collections: Earned: Receivable from Federal sources	Line 3A2
Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Spending Authority Offsetting Collections: Change in Unfilled Customer Orders: Advance Received	Line 3.b.1	Spending Authority Offsetting Collections: Change in Unfilled Customer Orders: Advance Received	Line 3B1
Spending Authority Offsetting Collections: Change in Unfilled Customer Orders: Without Advance From Federal Sources	Line 3.b.2	Spending Authority Offsetting Collections: Change in Unfilled Customer Orders: Without Advance From Federal Sources	Line 3B2
Spending Authority Offsetting Collections Anticipated for Rest of Year, w/o Advance	Line 3.c	Spending Authority Offsetting Collections Anticipated for Rest of Year, w/o Advance	Line 3C
Spending Authority Offsetting Collections: Previously unavailable	Line 3.d	Spending Authority Offsetting Collections: Previously unavailable	Line 3.d
Spending Authority Offsetting Collections : Transfers from Trust Funds	Line 3.e	Spending Authority Offsetting Collections : Transfers from Trust Funds: Collected Anticipated	Line 3E1 PLUS Line 3E2
Subtotal	Line 3.f	Spending Authority Offsetting Collections: Earned: Collected Receivable from Federal sources Spending Authority Offsetting Collections: Change in Unfilled Customer Orders: Advance Received Without Advance From Federal Sources Spending Authority Offsetting Collections	Line 3A1 PLUS Line 3A2 PLUS Line 3B1 PLUS Line 3B2 PLUS

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		Anticipated for the rest of year, w/o Advances Spending Authority Offsetting Collections: Previously unavailable Spending Authority Offsetting Collections : Transfers from Trust Funds: Collected Anticipated	Line 3C PLUS Line 3D PLUS Line 3E1 PLUS Line 3E2
Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Recoveries of Prior Year Obligations	Line 4	Recoveries of prior year obligations: Actual Anticipated	Line 4A PLUS Line 4B
Temporarily Not Available Pursuant to Public Law	Line 5	Temporarily Not Available Pursuant to Public Law	Line 5
Permanently not available	Line 6	Permanently not available: Cancellations of Expired and No-Year Accounts Enacted Recissions Capital Transfers and Redemption of Debt Other Authority Withdrawn Pursuant to Public Law Anticipated Rest of Year	Line 6A PLUS Line 6B PLUS Line 6C PLUS Line 6D PLUS Line 6E PLUS Line 6F
Total Budgetary Resources	Line 7	Total Budgetary Resources	Line 7
Obligations Incurred: Direct	Line 8.a	Obligations Incurred: Direct: Category A Total, Category B Exempt from Apportionment	Line 8A1 PLUS Line 8A2 PLUS Line 8A3
Obligations Incurred: Reimbursable	Line 8.b	Obligations Incurred: Reimbursable: Category A Total, Category B Exempt from	Line 8B1 PLUS Line 8B2 PLUS

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		Apportionment	Line 8B3
Subtotal	Line 8.c	Obligations Incurred: Direct: Category A Total, Category B Exempt from Apportionment Obligations Incurred: Reimbursable: Category A Total, Category B Exempt from Apportionment	Line 8A1 PLUS Line 8A2 PLUS Line 8A3 PLUS Line 8B1 PLUS Line 8B2 PLUS Line 8B3
Statement of Budgetary Resources		Report on Budget Execution (SF-133)	
Unobligated Balance: Apportioned	Line 9.a	Unobligated Balance: Apportioned: Balance, Currently Available Anticipated	Line 9A1 PLUS Line 9A2
Unobligated Balance: Exempt from Apportionment	Line 9.b	Unobligated Balance: Exempt from Apportionment	Line 9B
Unobligated Balance: Other Available	Line 9.c	Unobligated Balance: Other Available	Line 9C
Unobligated Balances Not Available	Line 10	Unobligated Balance Not Available: Apportionment for Subsequent Periods Deferred Withheld Pending Recission Other	Line 10A PLUS Line 10B PLUS Line 10C PLUS Line 10D
Total Status of Budgetary Resources	Line 11	Total Status of Budgetary Resources	Line 11
Obligated Balance, Net, Beginning of Period	Line 12	Obligated Balance, Net as of 1 October	Line 12
Obligated Balance Transferred, Net (+/-)	Line 13	Obligated Balance Transferred, Net (+ or -)	Line 13
Obligated Balance, Net, End of Period: Accounts Receivable	Line 14.a	Obligated Balance, Net, End of Period: Accounts Receivable (-)	Line 14A
Unfilled Customer Orders from Federal Sources	Line 14.b	Unfilled Customer Orders from Federal Sources	Line 14B

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Undelivered Orders	Line 14.c	Undelivered Orders (+)	Line 14C
Accounts Payable	Line 14.d	Accounts Payable (+)	Line 14D
Total Outlays: Disbursements	Line 15.a	Outlays: Disbursement (+)	Line 15A
Collections	Line 15.b	Collections (-)	Line 15B
Subtotal	Line 15.c	Outlays: Disbursement (+) Collections (-)	Line 15A PLUS Line 15B

Section III. Reconciliation Requirements for the Quarterly Financial Statement and the Accounting Report (M) 1307 (Working Capital Fund Reporting Entities Only)

NOTE: There may be differences between the consolidated level of the Quarterly Financial Statement and the Accounting Report (M) 1307 because of eliminating entries for revenue, expenses, accounts receivable and accounts payable. The differences, however, should reconcile to the eliminating entry value.

Quarterly Financial Statement		Accounting Report (M) 1307	
Balance Sheet		Statement of Financial Position	
This reconciliation does not apply to agencies reporting below the appropriation level and where the fund-holder does not allocate cash down to the individual agencies within that fund			
Fund Balance with Treasury	Line 1.A.1.	Fund Balance with Treasury	Line 1
Accounts Receivable, Net	Line 1.A.3. <div>Plus</div> Line 1.C.	Accounts Receivable, Net	Line 3
Total Assets	Line 2	Total Assets	Line 11
Accounts Payable	Line 3.A.1. <div>Plus</div> Line 3.B.	Accounts Payable	Line 12.a.
Note: If there is a difference between the Quarterly Financial Statements value and the AR 1307 for accounts payable, check Standard General Ledger (SGL) 2130 , which is included in accounts payable on the Quarterly Financial Statements and included in the AR 1307, line 12h.			
Total Liabilities	Line 4	Total Liabilities	Line 14
Unexpended Appropriations	Line 5.A.	Unexpended Appropriations	Line 15.a.
Cumulative Results of Operations	Line 5.B.	Invested Capital Accumulated Operating Results	Line 15.c. <div>Plus</div> Line 15.b. <div>Plus</div> Transfer of collections and disbursements to

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Quarterly Financial Statement		Accounting Report (M) 1307	
Total Net Position	Line 6	Net outlay transfer Total Net Position	departmental level as of September 30, if applicable Line 15 Plus Transfer of collections and disbursements to departmental level as of September 30, if applicable
Total Liabilities and Net Position	Line 7	Total Liabilities and Net Position Net outlay transfer	Line 16 Plus Transfer of collections and disbursements to departmental level as of September 30, if applicable
Balance Sheet		Statement of Operations and Changes in Net Position, Part II – Changes in Net Position	
Total Net Position	Line 6	Total Equity - End of Period	Line 2
Statement of Net Cost		Statement of Operations and Changes in Net Position, Part I – Revenues and Financing Sources	
Total Program Cost	Line 1.A	Total Expenses	Line 8
Costs Not Assigned to Program	1.D. Plus Line 2	Plus (Minus) Extraordinary Items	Plus Line 10
Less Earned Revenue	Line 1.B Plus 1.E	Revenue from Sales of Goods and Services	Line 2 (reverse sign)
Statement of Changes in Net Position		Statement of Operations and Changes in Net Position, Part II - Changes in Net Position	
Prior Period Adjustments	Line 2 Cumulative Results of Operations Plus Line 2 Unexpended Appropriations	Plus (Minus): Prior Period Adjustments to Accumulated Operating Results	Line 1.B.(1).b

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Section IV. Reconciliation Requirements for the Quarterly Financial Statements and the DD 725 Supplemental: Total Reimbursement (General Fund and Working Capital Fund Reporting Entities)

Quarterly Financial Statement		Other Financial Reports	
Statement of Budgetary Resources		Report on Reimbursements (DD 725)	
Spending Authority from Offsetting Collections	Line 3.E. + Anticipated on Line 10	Total Reimbursements	Column D

Section V. Reconciliation Requirements for the Quarterly Financial Statements and the Report on Receivables Due From the Public

Quarterly Financial Statement		Other Financial Reports	
Balance Sheet		Report on Receivables Due From the Public	
Accounts Receivable Plus Loans Receivable	Line 1.C. (Excludes Allowance Account) Line 1.D(Excludes Allowance Account)	Section A: Receivables and Collection Section A: Interest & Late Charges	Line 7 Plus Line 9

Section VI. Reconciliation Requirements Between Selected Accounts in Support of the Statement of Financing

Standard General Ledger Accounts		Standard General Ledger Accounts	
Reconciliation #1: Obligations to Cost and Capitalization			
Obligations	Additional Information Required	Cost and Capitalization	Additional Information Required
E 4902 E-B 4901 E 4908 E 4981 E 4982 E 4971 E 4972 This Recon is not applicable to the Credit Reform Program		CY Purchase of Capitalized Assets: 8802 Plus Expenses: 6100 6310 6320 6330 6400 6900	

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Standard General Ledger Accounts		Standard General Ledger Accounts	
Reconciliation #2: Offsetting Collections to Revenue			
Offsetting Collections	Additional Information Required	Revenue& Financing Sources	Additional Information Required
E-B 4114 4252 E-B 4251 4260 4261 4263 4264 4266 4267 4273 4277 4283 4287	Do not include transferred 4251 accounts	5100 5200 5310 5311 5312 5320 5400 5500 5600 5740 5750 5790 5800 5900 * NonExchange ,Trust Fund Only	Exchange Exchange Exchange Exchange & * Exchange & * Exchange Exchange Exchange * NonExchange *NonExchange *NonExchange Applicable to revenue *NonExchange Exchange
Reconciliation #3: Offsetting Collections Receivables to Entity Governmental Receivables			
Offsetting Collections Receivables	Additional Information Required	Entity Governmental Receivables	Additional Information Required
4126 4166 4225 4251 4283 4287		1310 1320 1330 1335 1340 1350 1360	Entity, Government, excludes refunds receivable Entity, Government Entity, Government Entity, Government Entity, Government applicable to receivables and loans, Government Entity, Government Entity, Government Applicable to receivables And loans

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Standard General Ledger Accounts		Standard General Ledger Accounts	
Reconciliation #4: Change in Unfunded Liabilities to Future Funded Expenses			
Unfunded Expenses	Additional Information Required	Change in Unfunded Liabilities	Additional Information Required
The amounts reported as Unfunded Expenses and as Changes in Unfunded Liabilities must balance. Note: The only acceptable variance is custodial liability. The offset to custodial liability is usually a non-entity asset account not the future funded expense account.			
6800 6850		E-B 2140 E-B 2160 E-B 2170 E-B 2190 E-B 2220 E-B 2225 E-B 2290 E-B 2520 E-B 2610 E-B 2620 E-B 2630 E-B 2910 E-B 2920 E-B 2940 E-B 2960 E-B 2990 E-B 2980 E-B 2995 Less: Change – Custodial Liability (2980)	Unfunded; Debt Only Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded Unfunded
Reconciliation #5: Unexpended Obligations – Prepaid to Advances and Other Prepayments			
Unexpended Obligations – Prepaid	Additional Information Required	Advances to Others and Prepayments	Additional Information Required
4802 4832 4882 4872		1410 1450	
Reconciliation #6: Unfilled Customer Orders with Advance to Unearned Revenue			
Unfilled Customer Orders with Advance	Additional Information Required	Unearned Revenue	Additional Information Required
4222		2310	
Reconciliation #7: Expended Authority – Unpaid to Funded Liabilities			
Expended Authority- Unpaid	Additional Information Required	Funded Liabilities	Additional Information Required
4901 4931 4971 4981		2110 2120 2130 2140	Funded Funded DoD Only Funded Funded

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Standard General Ledger Accounts		Standard General Ledger Accounts	
		2155 2160 2190 2210 2211 2213 2215 2216 2217 2218 2590 2940 2990	Funded Funded Funded Funded Funded Funded Funded Funded Funded Funded Funded, Debt to FFB and Debt to Other FFB Funded Funded
Reconciliation #8: Appropriation Received on Statement of Budgetary Resources to Appropriation Received on Statement of Change in Net Position			
The reconciliation is not applicable to trust and special funds or reimbursable activities			
Budgetary Appropriation Received SBR	Additional Information Required	Proprietary Appropriation Received SCNP	Additional Information Required
4111 4112 4114 4115 4117 4118 4119 4123 4124 4125 4126 4127 4128 4129 4138 4150 4157 4158 4384 4391 4394 Less: 4114, 4384, 4394		3101	

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Standard General Ledger Accounts		Standard General Ledger Accounts	
Reconciliation #9: Unexpended Appropriation Adjustment on Statement of Budgetary Resources to Unexpended Appropriation Adjustment on Statement of Change in Net Position			
This reconciliation is required to have zero difference.			
Budgetary Unexpended Appropriation Adjustment (SBR)	Additional Information Required	Proprietary Unexpended Appropriation Adjustment (SCNP)	Additional Information Required
4130 4350 4391 4392 4393 4396		3106	
Reconciliation #10: Change in Actuarial Liabilities to Changed in Actuarial Liabilities from Statements			
The amounts reported in the Change in Actuarial Liabilities and the Total Change in Actuarial Liabilities from the Statements must balance. There cannot be a variance.			
Total Change in Actuarial Liabilities	Additional Information Required	Total Change in Actuarial Liabilities from Financial Statements	Additional Information Required
E-B 2650 E-B 2690	FECA Related Only	7600	
Reconciliation #11: Imputed Cost to Imputed Financing			
The amounts reported in Total Imputed Costs and Total Imputing Financing must balance. There cannot be a variance.			
Total Imputed Cost	Additional Information Required	Total Imputed Financing	Additional Information Required
6730		5780	
Reconciliation #12: Budgetary Cash/Proprietary Cash and Investments			
Budgetary Cash	Additional Information Required	Proprietary Cash and Investments	Additional Information Required
4047 4060 4070 4120 4126 4130 4131 4133 4134 4135 4136	 Subtract Subtract Subtract	1010 1340 1610 1611 1612 1613 1620	USSGL 1010Excludes Non-Entity Cash Trust Fund Only Investment-Interest Purchased Only MRF & MERHCF Only MRF & MERHCF Only

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Standard General Ledger Accounts		Standard General Ledger Accounts	
4138 4139 4140 4141 4144 4149 4160 4166 4210 4221 4225 4251 4281 4283 4285 4286 4287 4310 4384 4394 4420 4430 4450 4510 4610 4620 4630 4650 4690 4700 4720 4801 4871 4881 4901 4971 4981	Subtract	1621 1622 1690	
Reconciliation #13: Budgetary Unexpended Appropriation/ Proprietary Unexpended Appropriation			
The reconciliation is not applicable to trust and special funds or reimbursable activities.			
Budgetary Unexpended Appropriation	Additional Information Required	Proprietary Unexpended Appropriation	Additional Information Required
4060 4070 4210 4310 4420 4430 4450	Direct	3100 3101 3102 3103 3106 3107 3108	Federal Only Federal Only

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Standard General Ledger Accounts		Standard General Ledger Accounts	
4510	Direct	3109	
4590			
4610	Direct		
4620	Direct		
4630	Direct		
4650			
4690	Direct		
4700	Direct		
4720	Direct		
4801	Direct		
4802	Direct		
4871	Direct		
4881			
4882			

Standard General Ledger Accounts		Standard General Ledger Accounts	
Reconciliation #14: Reserved for Future Use			
Reconciliation #15: Reserved for Future Use			
Reconciliation # 16 : Proprietary Appropriation Transfers on SCNP to Budgetary Appropriation Transfers on SBR			
The reconciliation is applicable to Appropriated Funds Only			
Budgetary Appropriation Transfers	Additional Information Required	Proprietary Appropriation Transfers	Additional Information Required
4170		3102	Federal
4176		3103	Federal
4190			
4191			